



Public Sector Banking App Development: A Case Study of Innovativeness

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ABSTRACT

A far reaching change is happening worldwide in the era of Artificial Intelligence, Apps development and continuous research. This is relevant for the purpose of organization efficiency through better service, productivity, thereby impacting organizational growth and survival. Such Apps being developed are varied in terms of their innovative content depending upon specific organization: history, stage of technology adaptation, ever changing customer profile and any other guidelines pertinent to this area of significance. The study looks at the development of an App called YONO in State Bank of India, which is the largest banking organization in India. The study may reveal findings, conclusion and recommendation which may go a long way in further development of needful business apps in banking sector. Therefore, it can now be reasonably observed that the development of YONO bank app as under gone the required innovation process, and therefore till today it ranks as one of the best app in the banking sector. It is recommended that the stated app, YONO, should be continuously assessed from the stand point of various stake holders, and to conform to the ethical AI parameters. The Indian knowledge system may also be kept in the background for greater social acceptability and impact.

1. INTRODUCTION

Artificial Intelligence is now everywhere in various sector of the economy driving growth through ever evolving AI Agents. AI agents are now well known for adaptability, and decision making capability. Unlike traditional AI agents, which respond to specific inputs within predefined constraints, agentic AI can set its own goals, plan multi-step strategies, and dynamically adapt to changing environments without constant human oversight.

No doubt, AI is driving a lot of founders to accelerate their AI adoption and re-imagine products and services for their clients.

It is also interesting to note that as part of British bank's technology shake up, the first group of leaders from the British bank is starting to take the 80-hour course this month to adopt an 'AI-first'

mindset (Newspaper Survey).

Recently, The AI mission India, announced three more startups to build indigenous AI models on 30th May 2025. Indigenous organization specific AI model/Apps are being developed innovatively to serve emerging organizational requirements. The study attempts to look into the development of such an App in State Bank of India (SBI) named YONO.

This study is significant as it highlights how public sector banks are adopting innovative approaches in mobile app development to improve service delivery and remain competitive in the digital era. It provides valuable insights into the effectiveness of these innovations, helps identify gaps and opportunities for improvement, and supports policymakers and practitioners in strengthening digital banking strategies.

2. OBJECTIVES OF THE STUDY

Any research study is futile without the proper objectives. The present study attempts to survey and search the following objectives:

- Overview the App YONO, in Use by SBI, as a case study.
- Examine the development of SBI YONO APP.
- Further examine the innovativeness of YONO App, and
- Suggest Parameters for Strategic Development of SBI App.

3. METHODOLOGY

The data has been obtained from Organizational context, SBI website and its literature, Newspaper survey (Times of India, New Delhi and Economics Times, New Delhi February to May 2025) and interview (with concerned officials of SBI).

4. ORGANISATIONAL CONTEXT: STATE BANK OF INDIA

SBI's Role in Indian Economy is unmatched. SBI supports agriculture, MSMEs, startups and large industries. It always plays a major role in implementing government welfare schemes. It is the financial strength of the country being a major contributor to financial inclusion and digital banking revolution. Exhibit 1 shows the key statistics of the SBI.

5. APPS IN BANKING SECTOR

The study underscores the importance of

Exhibit 1: Key Statistics (As of 2024) of SBI

Parameter	Details
Founded	1 July 1955 (SBI), 1806 (originally as Bank of Calcutta)
Ownership	Government of India
Chairman	Challa Sreenivasulu Setty (succeeding Dinesh Kumar Khara, as of 2024)
Headquarters	Mumbai, Maharashtra
Global Presence	Over 30 countries
Domestic Branches	~22,000+
ATMs	~58,000+
Employees	~250,000+
Customer Base	Over 500 million
Market Share in India	~25% in deposits and loans Scale or pivot as needed.

innovation in enhancing customer experience and modernization of banking sector. Besides, YONO in SBI India, the other list of mobile banking apps used by major public and private sector banks in India are shown in Exhibit 2 and Exhibit 3.

6. SBI's INTEGRATED DIGITAL BANKING SOLUTION: YONO

SBI's original aim is to create an "online marketplace" to appeal to millennial gave rise to YONO (You Only Need One). "Project Lotus" was the name of the effort. As an MD and then as the bank's chairman, Rajnish Kumar fostered it for the first 4 years. It was released in November, 2017.

Exhibit 2: Public Sector Bank Apps (Government-Owned Banks)

Bank Name	Mobile Banking App Name	Remarks/Features
Bank of Baroda (BoB)	bob World	Unified app for banking, UPI, investments, cards.
Canara Bank	Canara ai1 – The Banking Super App	UPI, net banking, FD, loan services, e-passbook.
Central Bank of India	Cent Mobile	UPI, recharges, Aadhaar seeding, passbook, term deposit options.
Punjab & Sind Bank	PSB UnIC	Mobile banking, card control, UPI, mini statement.
Indian Bank	IndOASIS	Mobile banking, UPI, card & cheque services, investments.
Bank of India (BOI)	BOI Mobile	Basic banking, bill payments, IMPS/NEFT/RTGS, account services.

Exhibit 3: Private Sector Bank Apps (Privately-Owned Banks)

Bank Name	Mobile Banking App Name	Remarks/Features
HDFC Bank	HDFC Bank Mobile Banking App	Banking, UPI, Smart Hub for merchants, investments, and loans.
ICICI Bank	i Mobile Pay	Open to all users, even non-ICICI; banking, UPI, bill payments, investments.
Axis Bank	Axis Mobile	Full-service banking, rewards, loans, FD/RD, UPI.
Federal Bank	FedMobile	UPI, shopping, recharge, banking services, BHIM integrated.
IndusInd Bank	IndusMobile	Quick access to banking, credit card, UPI, FD, investments.
Yes Bank	YES Mobile	Mobile banking, UPI, debit card & cheque book services.

YONO was developed in collaboration with IBM, aiming to transform SBI's digital banking landscape. The platform has significantly contributed to SBI's digital growth, with a substantial user base and a valuation estimated between USD 40 to 50 billion. PM Jan Dhan Yojana, Mudra Loans and DBT (Direct Benefit Transfer) are some active in government schemes.

7. FEATURES OF YONO SBI

7.1 Integrated Banking Services: Transfer of funds, online payments of bills and recharge, availability of loan services directly, focus on financial inclusion and rural banking, active in government schemes like: PM Jan Dhan Yojana; Mudra Loans and Direct benefit transfer.

7.2 YONO Cash: Launched on March 16, 2019, YONO Cash is a distinctive feature offered on the YONO platform, accessible via both the mobile application and the online portal. This feature allows account holders to withdraw cash instantly from any SBI ATMs and the majority of SBI Merchant POS terminals or Customer Service Points (CSPs) across India, without the need for a physical card or the completion of a physical withdrawal slip.

YONO cash stands out with same distinctive features such as convenience, eco friendly and security.

7.3 Lifestyle and Shopping: YONO integrates with over 100 e-commerce partners, enabling users to:

- Book flights, trains (including IRCTC), buses,

and taxis.

- Shop online with exclusive discounts for SBI customers.
- Purchase movie tickets and access online education platforms.

7.4 UPI Payments: YONO supports Unified Payments Interface (UPI) transactions, allowing users to:

- Send and receive money instantly.
- Scan QR codes for payments.
- Pay contacts directly through their UPI IDs.

7.5 Security Measures: To ensure user safety, YONO incorporates:

- Biometric authentication.
- Device and SIM binding.
- Secure MPINs for app access.

7.6 YONO Lite: Previously, it was known as "SBI Anywhere Personal"; however, it underwent a rebranding to "Yono Lite" in 2018, coinciding with the launch of the YONO app. In 2021, Yono Lite received multiple updates aimed at safeguarding its users against digital fraud. A lighter version of the app focusing on core banking services like fund transfers, account inquiries, and bill payments.

7.7 YONO Business: It is tailored for corporate users, offering features like bulk payments, trade finance and other business banking services such as cash management tools.

8. INNOVATIVE PROCESS BEHIND THE YONO APP

8.1 Meaning of Innovation: Innovation is the

process of creating, improving, or applying new ideas, methods, products, or services to generate value. It can occur in any field—technology, business, education, healthcare, or the arts—and often aims to solve problems, enhance performance, or meet emerging needs.

At its core, innovation is not just invention—it's about bringing ideas into practical, valuable use. It bridges creativity with execution.

- Invention = Coming up with something new.

- Innovation = Applying that novelty effectively and successfully in the real world.

8.2 Process of Innovation: The innovation process typically follows a structured, yet flexible, path. Here's a detailed 6-step model:

Innovation is the engine of growth and progress. It starts with an idea but only becomes impactful when translated into action that creates tangible value. The process may not be strictly

Exhibit 4: Model

Stage	Description
1. Idea Generation	Brainstorming, observing trends, user feedback, R&D, or cross-industry insights lead to idea creation.
2. Idea Screening	Evaluate feasibility, potential impact, and alignment with goals. Discard weak or unfit ideas.
3. Concept Development & Testing	Flesh out the idea into a prototype or concept and test it with target users.
4. Business Analysis	Analyze costs, ROI, risks, and market demand. Develop an initial business or implementation plan.
5. Implementation (Development & Commercialization)	Build the actual product, service, or process and prepare for market or internal deployment.
6. Evaluation and Iteration	Monitor outcomes, collect feedback, and make improvements. Scale or pivot as needed.

linear and often requires cycles of experimentation, failure, and refinement.

8.3 Overview of YONO's Innovation Process: The YONO (You Only Need One) app by the State Bank of India (SBI) is a landmark innovation in Indian digital banking. It represents SBI's strategic digital transformation initiative designed to offer a unified banking, lifestyle, and investment platform through a single app. YONO's development exemplifies strategic, customer-centric digital innovation, involving multiple iterative stages.

Below is an integrated explanation of the innovative process involved in developing YONO:

a. Ideation & Vision: SBI's leadership envisioned YONO as a “digital bank within a bank”, aiming to attract millennial, improve customer convenience, and compete with fintech disruptors. YONO was conceived not as just a banking app but as a holistic platform integrating banking, shopping, insurance, and investments.

b. Design Thinking & Prototyping: A user-first methodology drove the design:

- Extensive user persona mapping and mobile-first design
- Prototyping and testing focused on:
 - Seamless onboarding with e-KYC
 - Personalized UI/UX for digital-native users

c. Technology Stack & Integration: SBI leveraged next-gen tech architecture:

- Micro services architecture
- Open APIs to integrate with third-party service providers (travel, shopping, insurance)
- Use of **AI/ML for product recommendations**
- Cloud hosting for scalability and real-time updates.

d. Business Model Innovation: YONO went beyond digital banking:

- Lifestyle banking: Partnered with 100+ e-commerce platforms
- Cross-selling: Seamlessly offers loans, insurance, mutual funds

- YONO Cash: Enables card-less ATM withdrawals via app

e. *Security & Compliance*: Security innovation was critical:

- Advanced encryption standards
- Biometric authentication and OTP layers
- Real-time fraud detection via backend AI analytics

f. *Launch, Feedback & Iteration*:

- YONO was launched in 2017 and iteratively improved via updates e.g., YONO Lite, YONO Business.
- Regular feedback loops from users, app store reviews, and AI-based telemetry analytics inform updates.

The development of the SBI YONO app reflects a well-executed innovation lifecycle, as:

- Clear strategic intent
- Agile and scalable technical architecture
- A broad, inclusive ecosystem
- Continuous user feedback integration

YONO is now a cornerstone of SBI's digital banking vision, setting the benchmark for unified, AI-enabled banking platforms in India.

9. CONCLUSION AND RECOMMENDATION

YONO has established some distinctive features like, Diversified Service Oriented Features, National and International Reach, Represents Professional ML and AI Touch, Seamless Working, Tested in Operation for a Long

Period, Huge Customer Following, aims towards Continuous Improvement in Content and Safety, Amenable to integrate IKS Features and has Linkages with International Apps for Service Delivery.

Therefore, it can now be reasonably observed that the development of YONO bank app as under gone the required innovation process, and therefore till today it ranks as one of the best app in the banking sector.

It is recommended that the stated app, YONO, should be continuously assessed from the stand point of various stake holders, and to conform to the ethical AI parameters. The Indian knowledge system may also be kept in the background for greater social acceptability and impact.

Specifically, the following may be further suggested for Strategic Development of SBI APP(s):

- Not to overestimate YONO Capabilities in the present era of fast technological development,
- Specific business challenges may be kept in mind for effective alignment of AI investment with them,
- AI Leadership and Talent to be cultivated for strategic impact in terms of innovation and efficient operationability,
- Perspective focusing on cost, outcomes and scalability should be adhered to. ■

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